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ORIGIN/A

By *CM* NARA Date *10/27/88*

DEPARTMENT OF STATE

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AIRGRAM

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NO.

TO : Department of State

DEPT PASS: CINCEUR, ^{OSD}BAMAKO, CAIRO, LONDON, PARIS, RABAT, TRIPOLI, TUNIS
US NATO. ^{BRUSSELS}

HANDLING INDICATOR

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4/16/69

FROM : Amembassy ALGIERS

DATE: April 7, 1969

SUBJECT : US POLICY ASSESSMENT FOR ALGERIA - 1969

REF :

SUMMARY

The period from April 1968 to April 1969, from the viewpoint of U.S. interests and objectives in Algeria, was marked by a slight preponderance of trends favorable to the U.S. On the plus side, Algeria's internal political stability has improved. President Boumediene appears to be ruling the country with increased self-confidence. The GOA has placed first priority on domestic concerns such as industrial development programs, reform of the agricultural sector, establishment of permanent government structures, and maximizing revenues from the oil and gas industry and wine exports. Algeria has of course remained vociferously anti-imperialist, a loud supporter of armed struggle by the Palestinians in the Middle East, and an underwriter of modest assistance for African liberation movements. However, the fact remains that the lion's share of the GOA's money and manpower is being spent on improving the domestic situation. In another significant and favorable trend, Algeria has worked hard over the past few months to improve significantly cooperation with its Maghreb neighbors.

On the minus side, Soviet influence over the past year has continued to grow. Although the Algerians steadfastly maintain they will not grant military bases to foreigners (Russians), Soviet leverage based on substantial military, economic and trade programs is stronger. France remains the key Western influence in Algeria, but during the past year the French role continued to decline.

U.S.-Algerian relations underwent a steady improvement during the year under review, although a resumption of diplomatic relations is still not in sight. The Middle East and Viet-Nam remain major issues of

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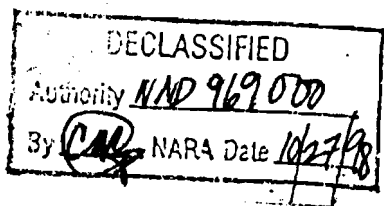
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disagreement. U.S.-Algerian relations in the private business and economic sector have experienced a boom. In 1968, the U.S. became the number two supplier to Algeria, with estimated sales of \$60 million. The GOA increasingly looked to U.S. firms and technicians to help in the development of the Algerian petroleum and other related industries.

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? Chances for renewal of diplomatic relations in 1969 are about even. The initiative rightly belongs to the Algerians and we do not advocate any preconditions. The evolution of the Middle East situation is probably the single most important determinant. U.S. business community interests in Algeria merit a shift from neutrality to a more active encouragement from the USG. These business interests form the backbone of the U.S. current presence in Algeria. Private organizations (CARE, CRS, Ford Foundation, IVS, Quakers) have also made an important contribution to the U.S. presence and merit continuation. Resumption of any significant USG cultural program will probably have to await diplomatic relations.

If the principal Western influence in Algeria--France--should lose ground radically in the near future, this would create a new situation which the U.S. would have to examine.

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[Omitted here is the body of the airgram.]